

October 23, 2013

Mr. Brandon Samuel
Department of Technology, Management and Budget
DTMB Procurement
P.O. Box 30026
Lansing, MI 48909
RE: Social Impact Bond RFI (Project # 0071141113B0000535)

Dear Mr. Samuel,

Parents as Teachers applauds the state of Michigan in exploring the feasibility of Pay for Success based financing as a means to improve social outcomes in the areas of human services and juvenile justice. It is commonly known that prevention and early intervention costs much less than remediation. As it relates to early childhood, numerous studies illustrate not only the social benefits but also the monetary benefits of high quality early childhood programs. Nobel Laureate James Heckman has researched early childhood extensively, including the Perry Preschool in Ypsilanti, MI, and has found the rate of return for early childhood programs to be as high as 17%.

For nearly 30 years, Parents as Teachers has had a history of improving parent and child outcomes. Michigan families have been receiving Parents as Teachers services since 1990, mainly through schools and community-based organizations funded by Great Start Michigan and through several Head Start and Early Head Start grantees. The home visiting model consists of personal visits, group connections with peer families, health and developmental screenings, and referrals to community resources. Together, these four model components create a cohesive package of services with four primary goals:

1) Increase parent knowledge of early childhood development and improve parenting practices; 2) provide early detection of developmental delays and health issues; 3) prevent child abuse and neglect; and 4) increase children's school readiness and school success.

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# Availability of performance measures for assessing outcomes include but are not limited to:

- Child developmental screening tools such as Ages and Stages Questionnaire-3
  (ASQ-3), Developmental Indicators for the Assessment of Learning -4 (DIAL-4), or
  Developmental Profile II.
- Parenting assessment tools such as the Keys to Interactive Parenting Scale (KIPS)
- Special education placement
- Immunization rates
- Parents' dialogic reading behavior and other literacy-related activity
- Quality of the home environment, measured by tools such as the Home
   Observation for Measurement of the Environment (HOME) inventory.

# A strong evidence base indicating that the intervention model is likely to achieve the outcome targets.

Independent evaluation of the Parents as Teachers home visiting model includes 4 randomized controlled trials and 7 peer-reviewed published outcomes studies. In total, outcome data have been collected from more than 16,000 children and parents. Several federal evidence-based registries have reviewed the available research and have designated Parents as Teachers as an evidence-based home visiting model. Examples of these registries include Health Services and Resources Administration's (HRSA) list of approved, evidence-based models for implementation of the Maternal, Infant, Early Childhood Home Visiting program (MIECHV) and the Substance Abuse and Mental Health Services Administration's (SAMHSA) National Registry of Evidence-based Programs and Practices. Examples of key research findings include:

- Children score higher on kindergarten readiness tests and standardized measures of reading, math, and language in elementary grades <sup>i</sup>
- Children show greater improvements in their self-help skills compared to non-PAT children ii
- Children are more likely to be fully immunized iii
- Parents showed improvements in parent knowledge, parenting behavior and parenting attitudes, including greater responsiveness, provision of appropriate play materials in the home, and promotion of reading.

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 In a study of teen mothers, parents were less likely to be subjects of child abuse investigations when also receiving case management.

# A sufficient and well-defined participant base

The program was designed to meet the needs of all parents who have children up to kindergarten entry. In most jurisdictions, however, funding for Parents as Teachers is limited to families with high-risk characteristics. Families can initiate services at any point up until the child's entry to kindergarten, though it is required that PAT affiliates are designed to provide families with at least 2 years of service.

In the program year ending June 30, 2013, there were fifty-eight organizations implementing Parents as Teachers in Michigan. Combined, these organizations served over 9,000 children.

# Ability to take the initiative to scale if results show that the initiative is working

As a model that is delivered by a wide variety of 3<sup>rd</sup> party organizations, including school districts, Early Head Start/Head Start grantees, hospitals, and other community agencies, Parents as Teachers is a uniquely scalable strategy to increase children's school readiness and success. Currently, Parents as Teachers is meeting a small fraction of the overall need to provide high quality parent education and engagement services. There are over 169,000 children ages 0-5 in the state of Michigan who live in low-income working families and another 69,000 children whose parent(s) are not in the labor force. With additional resources such as pay for success financing many more Michigan families could benefit from Parents as Teachers, thereby resulting in improved parent and child outcomes while also reducing the fiscal burden to state government.

# Clear and identifiable state budgetary savings

A recent analysis indicated that Parents as Teachers provides a 3% rate of return with a benefit to cost ratio of \$1.18<sup>vii</sup>. These fiscal savings are largely the result of children's higher educational attainment as a result of Parents as Teachers services. We are currently working with partners to evaluate the impact of Parents as Teachers on grade-level retention and special education placement.

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We support Michigan's efforts to advance Pay for Success, or Social Impact Bond financing as another means to fund proven and cost-effective interventions. If you have any specific questions, please contact our Director of Business Development and Innovation, Mike Eggleston. Mike can be reached via email at <a href="Michael.eggleston@parentsasteachers.org">Michael.eggleston@parentsasteachers.org</a> or at (314) 432-4330 x223.

Kind regards,

Scott Hippert
President/CEO
Parents as Teachers

Pfannenstiel, Seitz & Zigler, 2002; Zigler, Pfannenstiel & Seitz, 2008)

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<sup>&</sup>quot; Wagner & Clayton, 1999

iii Wagner, Lida, & Spiker, 2001

iv Owen & Mulvihill, 1994; Wagner, Spiker & Linn, 2002; Pfannenstiel, Lambson & Yarnell, 1991; Pfannenstiel & Selzer, 1985, 1989.

v Wagner & Clayton, 1999

vi Kids County Data Center, http://datacenter.kidscount.org

vii Washington State Institute for Public Policy, 2012. http://www.wsipp.wa.gov/rptfiles/3900.PAT.pdf